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CURRENT INTELLIGENCE WEEKLY SUMMARY



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CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

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T H E W E E K I N B R I E F

PART I

OF IMMEDIATE INTEREST

HINTS OF SOVIET POSITION

AT FOUR-POWER CONFERENCE Page 1

The positions the USSR is likely to take on the principal issues at the four-power conference "at the summit" are emerging from Moscow's recent propaganda and diplomatic moves. Moscow's proposals on Germany probably will be presented as part of a general system of European security and arms limitation designed to permit an East-West detente. [redacted]

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SOUTH VIETNAM Page 2

The Vietnamese government is making progress in its efforts to eliminate threats to its stability while curbing the extremism of the Revolutionary Council and skillfully handling its relations with the French. Plans for the integration of sect forces, on the other hand, are still largely in the paper stage. [redacted]

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SOVIET AIRCRAFT DEVELOPMENT Page 4

Recent observations of Soviet aircraft over Moscow indicate that the USSR is making rapid progress in building up its strategic bomber force. Two new jet fighter types also have been seen in numbers indicating series production. [redacted]

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PART II

NOTES AND COMMENTS

Peiping Repeats Offer to Negotiate: Peiping repeated on 13 May its willingness to negotiate with the United States on "relieving tension" and described the American attitude toward negotiations as "evasive and equivocal." Chou En-lai said that Peiping still supports the Soviet proposal for a 10-power conference, but is "willing to consider other forms." [redacted]

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25X1 Formosa Straits: Chinese Communist military construction in the Formosa Straits area continues. [redacted] Page 2

The Coming Diplomatic Conversations in Belgrade: The forthcoming visits to Belgrade of high-level Soviet leaders and visits at later dates of representatives of other countries--the United States, Britain, France, Burma and India--are unlikely to alter Yugoslavia's long-standing policy of remaining detached from great-power blocs. [redacted] Page 3

25X1

25X1 Marshal Konev's Role as Party Spokesman: Ivan S. Konev's appointment as chief of the recently established combined Soviet bloc military command, together with his earlier designation as deputy defense minister and his recent speeches and articles emphasizing the party's role, suggest that he is the chief public spokesman for the party within the military group. As such he may be the party's counterweight in the officer corps to the popular and independent-minded Marshal Zhukov. [redacted] Page 3

25X1 Finns Fear Soviet Pressure as Result of German Rearmament: The progress toward West German rearmament is viewed with some apprehension in Helsinki, mainly because the USSR may react by invoking the Finnish-Soviet pact of 1948. [redacted] Page 4

25X1 Annual Soviet Troop Movements in Germany and Austria: The annual spring movement of Soviet ground forces in Germany to summer training areas apparently is taking place at a somewhat slower pace than last year. Movement of Soviet units in Austria up to now has been similar to that of past years. [redacted] Page 5

25X1 Good Weather in Soviet "New Lands" Area: The Soviet press reports that weather conditions in the "new lands" area of western Siberia and Kazakhstan have been "exceedingly favorable" thus far. However, it is the weather in June and July which will be the determining factor. [redacted] Page 6

25X1 Burma Continues to Seek New Arms Sources: Burma is continuing to seek new sources for military equipment. Until recently, Burma's only source of such equipment had been Great Britain. The Burmese have achieved a measure of success, but the capabilities of their armed forces may suffer as a result of the heterogeneous nature of the weapons they are accumulating. [redacted] Page 6

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Simla Economic Conference: Rejection by the Asian nations represented at the Simla economic conference of a regional organization to plan the use of a proposed \$200,000,000 in American aid appears to have resulted from the fears of the smaller nations that India might dominate such an organization. The smaller nations also seem to feel that they will fare better with direct aid from the United States. [redacted]

[redacted] Page 7

Afghan-Pakistani Situation: There have been numerous rumors during the past week that Afghanistan or Pakistan or both have accepted mediation offers from Egypt, Saudi Arabia, Iraq, Iran, and Turkey. All of these countries apparently have either volunteered their good offices or have been asked by Kabul or Karachi to intervene diplomatically in the dispute between the two capitals. [redacted]

[redacted] Page 8

Syria: Outwardly the situation in Syria has calmed down in the last two weeks. There has been no letup, however, in covert plotting by pro- and anti-government forces, and any attempt to use force will almost certainly result in counter action. [redacted]

[redacted] Page 9

French North Africa: Opposition is mounting among French settlers in Tunisia to the agreement reached by the French and Tunisian premiers on 22 April. In Algeria, the security situation has worsened in spite of the declaration of a state of emergency last month. In Morocco, terrorist attacks are again on the increase after a lull of several weeks. [redacted]

[redacted] Page 10

Czechoslovakia Adopts Militant Minority Policy: The militant party line, stressing the political supremacy of Prague, developed at the Slovak Communist Party Congress last month is almost certain to increase resentment against the regime and bitterness between ethnic groups. [redacted]

[redacted] Page 11

Italian Political Situation: Gronchi's refusal on 12 May to accept the resignation of the Scelba cabinet reflected a decision by the present coalition parties not to rock the political boat in Italy at least until after the Sicilian elections on 5 June. Basic dissensions in the coalition parties, however, remain. [redacted]

[redacted] Page 12

British Election: The outcome of the voting in some 50 constituencies whose members won in 1951 by majorities of 1,000 or less will be decisive in the British general election. The Conservative Party is still considered likely to win. [redacted]

[redacted] Page 13

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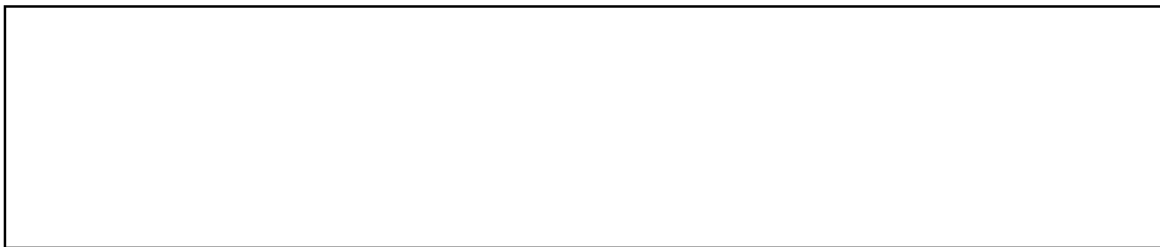
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Unrest In Colombia: Recent developments in Colombia, particularly a rise in guerrilla activity, indicate a steady trend back toward the widespread violence which prevailed prior to 13 June 1953, when the civilian regime of Laureano Gomez was overthrown by General Rojas Pinilla. The government, moving to maintain its position, appears to be headed toward outright authoritarianism.

[REDACTED] Page 14

PART III

PATTERNS AND PERSPECTIVES



THE SATELLITE AGRICULTURE PROBLEM Page 3

The announced intention of the Eastern European Satellites to increase emphasis on heavy industry and military preparedness, following the example set by the USSR, has not to date substantially modified their previous stress on increased agricultural investment and economic concessions to the peasantry. [REDACTED]

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PART I

OF IMMEDIATE INTEREST

**HINTS OF SOVIET POSITION
AT FOUR-POWER CONFERENCE**

The positions the USSR is likely to take on the principal issues at the four-power conference "at the summit" are gradually emerging from Moscow's recent propaganda and diplomatic moves.

The broad scope of the subjects the USSR would like to discuss was indicated in the omnibus proposals on disarmament and the reduction of tension submitted by Ambassador Malik in the London disarmament talks on 10 May.

In addition to listing seven specific measures for ending the cold war, these proposals included significant concessions to Western positions on force levels and the timing of the prohibition of nuclear weapons.

The proposals also introduced a completely new approach to the problem of international control which will probably command wide popular interest and require protracted negotiation.

Premier Bulganin took particular pains at the Warsaw conference to place the new eight-power Soviet bloc security treaty in the context of a possible all-European collective security system like the all-European security treaty introduced by Molotov at the Berlin conference. The Soviet bloc treaty is left open to other states, regardless of their social systems, and the treaty is to lapse whenever an all-European collective security treaty is concluded.

Moscow's proposals on Germany probably will be presented as components of a general system of European security and arms limitations.

As bait for the West Germans, the USSR will probably hold out the prospect of the withdrawal of all occupation forces from Germany, the establishment of diplomatic relations with West Germany, an ostensible acceptance of the Eden plan for German elections, and participation of both parts of Germany in an all-European security system pending German unification.

Moscow's new disarmament plan, the proposal to establish "strictly limited contingents of local police forces" in both parts of Germany under four-power controls, and the prospect of a general East-West detente based on the continued division of Germany will be designed to appeal to other Western European countries, especially France.

A special position was accorded East Germany in the new bloc security system at the Warsaw conference.

The final communiqué announced that the question of East German participation in "measures regarding the armed forces of the unified command" is to be examined later. The meaning of this provision was clearly stated by East German premier Grotewohl at Warsaw when he declared that "a reunified Germany will be free of the

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obligations contracted by a part of Germany in military-political treaties and agreements which were concluded prior to reunification."

Grotewohl contended that the Paris agreements deprive West Germany of the right "to come to an understanding on the reunification of Germany," but that the Warsaw treaty leaves East Germany complete freedom "to negotiate on peaceful reunification."

The ground has thus been cleared for renewed pressure by East Germany for bilateral unity talks with Bonn and for Soviet unification proposals within the framework of a European security system and a balanced limitation on East and West German forces and possibly within the context of a general global arms limitation system.

This elaborate structure of European security, German unity and arms limitations would, of course, mean the dissolution of NATO and the withdrawal of American military power from Europe.

Another key element in the USSR's developing diplomatic offensive came to light on 13 May, when Moscow announced that a top-level Soviet delegation headed by Khrushchev, Bulganin, and Mikoyan would go to Belgrade for talks late this month.

The Soviet leaders probably anticipate that in addition to furthering specific objectives in Yugoslavia, this dramatic and unprecedented gesture will generate increasing belief in the possibility of neutrality within a general European consolidation and East-West detente.

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SOUTH VIETNAM

The Vietnamese government is making progress in its efforts to eliminate threats to its stability while curbing the extremism of the Revolutionary Committee and skillfully handling its relations with the French. Plans for the integration of sect forces, on the other hand, are still largely in the paper stage.

The Viet Minh has achieved little visible success in exploiting the revolutionary ferments in South Vietnam, but continuing delays in the reassertion of government authority in rural areas and the cessation on 18 May of the southward movement of anti-Viet Minh

refugees constitute developments adverse to Diem's government.

Binh Xuyen remnants estimated at 1,500 are now located in the large swampy area south of Saigon. Army movements are continuing, but contacts with the enemy have been infrequent. As of 13 May, the Binh Xuyen was estimated to have suffered 750 casualties, not counting 700 troops who rallied to the government.

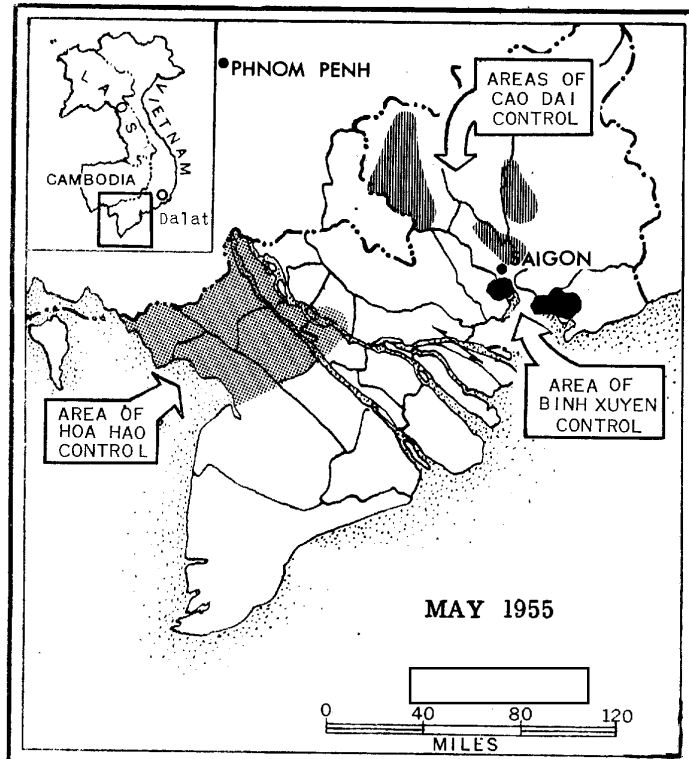
The assertion of national army control over the Imperial Guard last week removed the last potential focus of organized support for Bao Dai.

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recourse to fighting. The bulk of the Cao Dai forces are already integrated in theory, but the death of General The and the antigovernment maneuvers of the Cao Dai pope--abetted by the French, according to Diem--may complicate this picture.

The demonstration staged by the Revolutionary Committee in Saigon on 15 May stressed the anti-Bao Dai theme. However, the earlier demand that Diem govern in the name of the committee was replaced by the slogan of "full support for Diem." The absence from the demonstration of anti-French slogans also reflected the committee's willingness to follow Diem's lead.

General Vy, who figured in the short-lived pro-Bao Dai coup in Saigon last month and later sought control of the Imperial Guard at Dalat, was stripped of his rank and "placed at the disposal of the French army," in which he holds the reserve rank of captain.

Hoa Hao forces under Generals Tran Van Soai, Lam Thanh Nguyen, and Ba Cut still enjoy virtual autonomy in the rice granary area of western Cochinchina.

The government hopes that a show of force by the army, coupled with cash settlements, will make possible the integration of the dissidents without

Diem has argued privately that the presence of a large part of the French Expeditionary Corps in the Saigon area has a provocative effect on Vietnamese opinion and stands in the way of French-Vietnamese co-operation. His proposal, not yet presented officially to the French, is that their forces be stationed along the 17th parallel truce line.

The current of anti-French feeling and the rapid emergence of new political parties and alignments in the south have, in the short term at least, increased Viet Minh opportunities there. There is no

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appreciable evidence, however, that these opportunities have been effectively exploited. The pronouncements of the Revolutionary Committee remain uncompromisingly anti-Communist.

Diem is attempting to secure closer co-ordination of his own policies with those of the Western powers and to enhance the international status of his government by calling for a French-British-American-Vietnamese conference in Saigon. The government has publicly expressed its objection to the tendency of the Western countries to discuss Vietnamese affairs in the absence of Vietnamese participants.

The ending of the regrouping period for French and Viet Minh forces on 18 May also put a halt to the movement of anti-Viet Minh refugees to South Vietnam. The Viet Minh's systematic obstruction of this movement has been cited by the South Vietnam authorities as grounds for demanding that the original deadline be indefinitely extended, and this view has been presented indirectly to the truce commission.

The Viet Minh has publicly denounced the "forced evacuation" to the south, but [redacted]

[redacted] an informal Vietnam-Viet Minh agreement to extend the deadline had been reached at Geneva. [redacted]

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SOVIET AIRCRAFT DEVELOPMENT

Flights in the Moscow area during the past six weeks have included types and numbers of aircraft that provide important clues on Soviet aircraft developments.

These sightings indicate that the Soviet Union is making rapid progress in building up its strategic bomber force. They also indicate that the USSR is strengthening its defensive capabilities with the development of new fighter aircraft types.

A Soviet aircraft which apparently was a prototype jet heavy bomber comparable to the American B-52 was first observed a little over a year ago. Today the USSR probably has in operational units up to

20 of these high-performance planes (designated BISONS, or Type 37's in Western intelligence terminology). The combat radius of this aircraft is 2,750 nautical miles, which means that it could reach the northwestern part of the United States on unrefueled, two-way missions from Siberian forward bases.

At least 13 and possibly as many as 19 BISONS participated in the various flyby's around Moscow. According to preliminary estimates, a total of 40 will have been produced by the end of next month and about 300 by mid-1957, 200 of which would be in operational units.

A new turboprop bomber, the BEAR (no numeral designation)

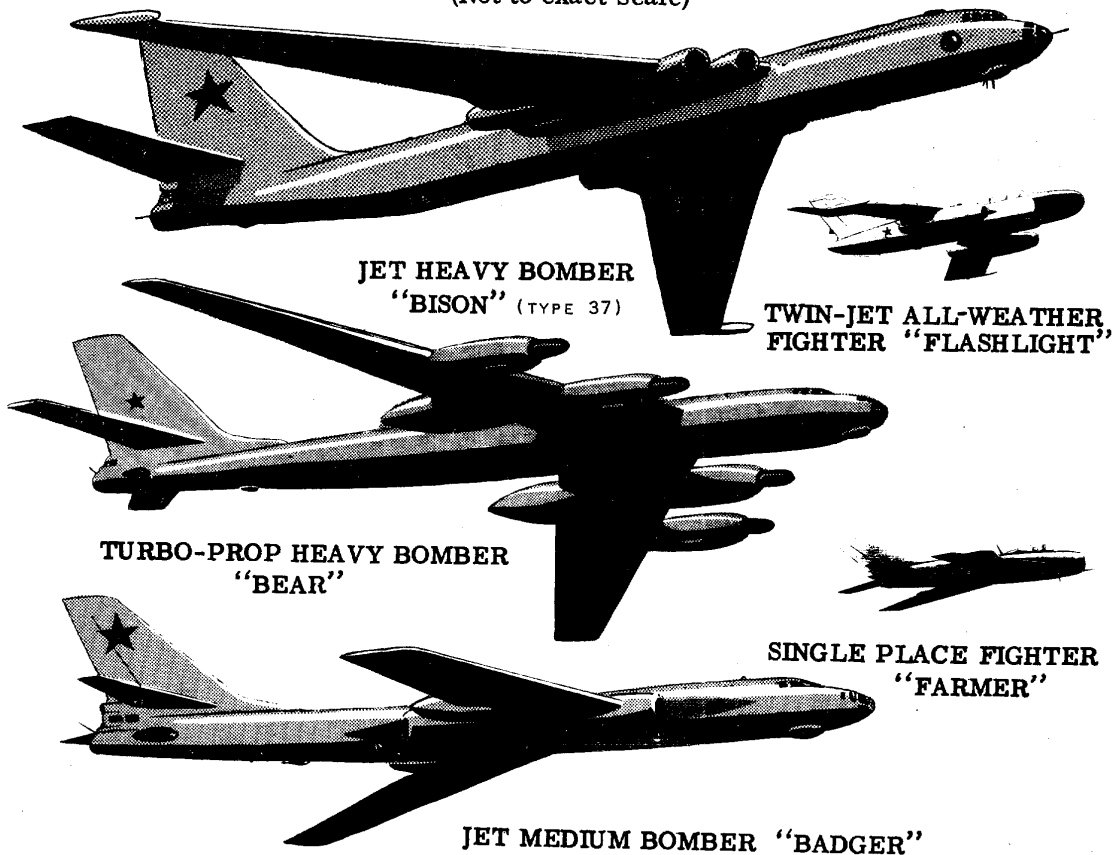
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SOVIET AIRCRAFT RECENTLY OBSERVED
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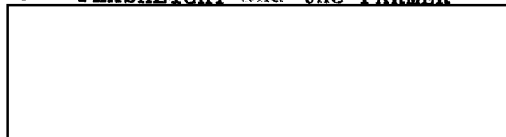


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which appeared in some of the formations, is probably capable of making round-trip missions from peripheral Soviet bases to most parts of the continental United States (all except the southeastern area) without refueling. According to preliminary evaluation, it has a combat radius--3,700 nautical miles--which places it in the heavy bomber category, a speed of 450 knots, and a

combat ceiling of 40,000 feet. At least nine and possibly 12 BEARS have been seen recently in the Moscow area.

Recent Moscow flights also included two new jet fighters, the FLASHLIGHT and the FARMER



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The FLASHLIGHT is a twin-engine jet fighter similar in some respects to the US F-94. It probably is an all-weather fighter carrying air-borne intercept radar equipment. The availability of the FLASHLIGHT indicates that the Soviet Union is overcoming the major deficiency of its air defense system to date, namely, poor interception capabilities under conditions of limited visibility.

The FARMER is believed to be a day fighter. Preliminary evaluations of performance indicate that it has supersonic speed capabilities in level flight, a combat ceiling of 57,000 feet, a combat radius of 200 nautical miles, and an ability to reach 40,000 feet in five minutes after take-off. [REDACTED] (Con-
curred in by ORR)

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PART II

NOTES AND COMMENTS

Peiping Repeats
Offer to Negotiate

Peiping repeated on 13 May its willingness to negotiate with the United States on "relieving tension," and described the American attitude to date as "evasive and equivocal."

Chou En-lai said that Peiping still supports the Soviet proposal for a 10-power conference, but is "willing to consider other forms." He repeated that Peiping will not agree to Chinese Nationalist participation in any conference.

In a report to the Standing Committee of the National People's Congress, Chou recapitulated developments at Bandung and plausibly defended his use of conciliatory tactics there.

Chou said, in effect, that he had succeeded in reducing the suspicions of many Afro-Asian leaders, had taken steps toward strengthening and enlarging the "neutralist" area, and had gained general support for Peiping's current approach to the Formosa question.

The premier's report also reaffirmed the hard Chinese Communist line on substantive issues which might be discussed in any negotiations. Chou said again that there is no need for a "so-called cease-fire," that the "liberation" of Formosa is a Chinese domestic affair, and that the only matter to be negotiated between Peiping and Washington is the American military "occupation" of Formosa.

The report made more apparent the Chinese Communist hope, previously surmised, of inducing a withdrawal of American forces from the China area and then annexing Formosa by "peaceful means." That is, Peiping would welcome direct negotiations with the undefended Chinese Nationalists, who would have the alternatives of assisting in a peaceful turnover or being overwhelmed by a military assault. The Chinese Communists employed this sort of offer effectively in the mainland fighting in 1948 and 1949.

Chou also confirmed that four Asian leaders--the premiers of Indonesia, Pakistan and Ceylon, and Egypt's minister for religious affairs--have accepted his invitation to visit Communist China. The Egyptian is en route, and the Indonesian is to leave next week. Chou may be expected to use the visits to gain further sympathy for Peiping's "peaceful" approach.

It is not known whether the British chargé in Peiping and India's Krishna Menon have had any success in their efforts to obtain an elaboration of the Chinese Communist attitude.

Chou is reported to have reiterated the main points of Peiping's propaganda in a talk with Chargé Trevelyan on 9 May, and to have promised a more detailed statement later.

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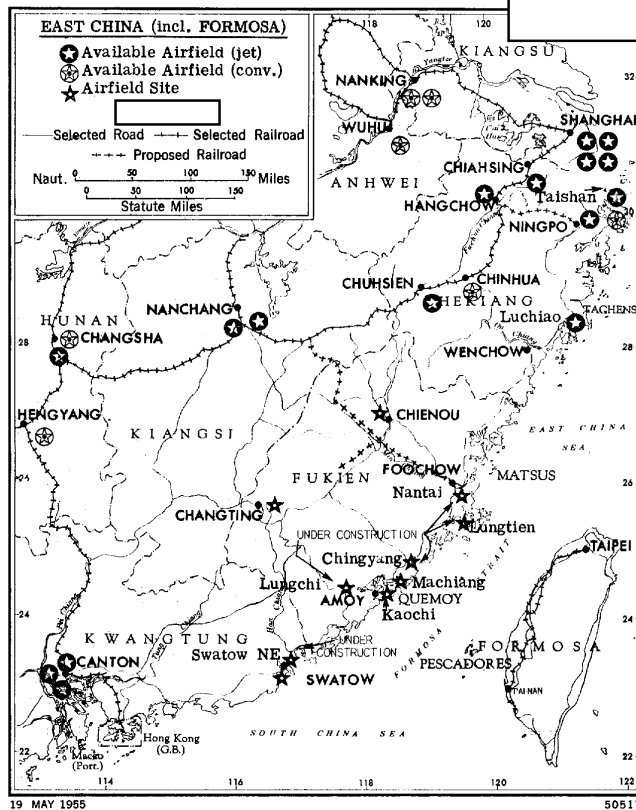
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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****19 May 1955****Formosa Straits**

Chinese Communist military construction in the Formosa Straits area continues. Several air clashes occurred during the past week between Communist and Nationalist jet fighters north of the Matsu group on 15 and 16 May.

Construction work at the five airfield sites opposite



The main link to the province is expected to be built from Kueichi, on the Chekiang-Kiangsi railroad, to Foochow. The branch line to Amoy will apparently run from Nanping, midway between Kueichi and Foochow. Neither line is likely to be completed before 1956.

Formosa continues. It is now estimated that the field at Nantai, near Foochow, will be finished during June. Three other fields--Lungtien, Chingyang and Swatow Northeast--will probably be completed in September, and the base at Lungchi, west of Amoy, is expected to be ready in October.

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**The Coming Diplomatic
Conversations in Belgrade**

The visit of Soviet party first secretary Khrushchev, Premier Bulganin, and presidium member Mikoyan to Belgrade late in May will lead off a series of conferences between Yugoslav and foreign officials scheduled during the next six weeks.

The Belgrade press has hailed the visit of Soviet leaders as a vindication of Yugoslavia's long-standing policy of independence and its refusal to accept dictation even from a power as strong as the USSR.

The Burmese and Indian premiers will visit Belgrade during June in the course of tours including a number of countries.

The Yugoslavs have asked the United States, Britain and France to send special representatives, other than the accredited ambassadors, to the general conference planned for middle or late June in Belgrade to appraise the international situation.

Yugoslav leaders and the press have for several months spoken glowingly of what they describe as the unique opportunities open to Yugoslavia

to foster peace by standing apart from both the great-power blocs and co-operating with other more or less neutral nations which champion coexistence.

For the past six months these leaders have been increasingly harsh in their denunciation of power bloc politics, criticizing both sides, but especially the West. They believe there is now a strategic equilibrium in Europe, which they attribute to Western armament efforts, and they oppose further military steps which they think might upset that balance and lessen the chances for peace. They believe that Soviet leaders are trying to reduce international tensions and should be encouraged in these efforts.

In a speech on 15 May Tito referred to Yugoslavia as a significant moral leader with "a place in the world that even the big powers may envy." He said that Yugoslavia has always been "on the side which was desirous of solving international disputes in a peaceful manner" and summed up Belgrade's policy as an effort "to create a third force of world moral strength for all those who love peace and freedom."

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**Marshal Konev's Role
As Party Spokesman**

Ivan S. Konev's appointment as chief of the recently established combined Soviet bloc military command, together with his earlier designation as deputy defense minister and his recent speeches and articles emphasizing the party's role,

suggest that he is the chief public spokesman for the party within the military group. As such he may be the party's counterweight in the officer corps to the popular and independent-minded Marshal Zhukov.

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Both in his article commemorating Soviet Armed Forces Day and in his V-E Day speech, Marshal Konev, in contrast to other military leaders, departed from the current alphabetical listing policy by placing First Secretary Khrushchev at the head of the list of party workers sent to the fronts during World War II.

In the V-E Day speech, Konev went so far as to single out Khrushchev by stating that "Comrade Khrushchev, Comrades Bulganin, Voroshilov, Kaganovich, Zhdanov, and Scherbakov"

were sent by the party to lead the troops in their fight against the invader.

In addition, Konev's speech devoted more attention to the party's role and emphasized party militancy to a far greater degree than any of the public pronouncements of other military leaders.

Konev's new prominence and political orientation also suggest that he is the leading military figure in whom the party leaders, especially Khrushchev, place special trust.

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Finns Fear Soviet Pressure
As Result of German Rearmament

The progress toward West German rearmament is viewed with some apprehension in Helsinki, mainly because of the effect it may have on Soviet policy toward Finland.

Prime Minister Kekkonen hinted recently to a West German journalist that while he had previously advocated a neutral bloc in Europe limited to the northern states, he now "dared" to think of a broader arrangement.

Judging from remarks of other Finnish officials, it appears that Kekkonen is apprehensive about the consequences for Finland of West German rearmament. He would probably greet "neutralization" of Germany with relief.

Finnish officials fear that West Germany's entry into NATO may give the USSR a pretext to invoke the 1948 Finnish-Soviet Friendship and Mutual Assistance Agreement. Article Two of this pact obligates the two countries to confer if it

is "established" that there is a threat of an armed attack against Finland, or against the Soviet Union through Finnish territory, by Germany or one of its allies.

The Finns fear that once West Germany is rearmed, the Soviet Union may insist that a "threat" of armed attack does exist, and that this will be followed by further Soviet pressure on Finland. During the past few years there have been recurrent rumors that the USSR would like to establish radar bases on Finnish territory.

For the time being, however, it seems likely that Soviet pressure on Finland will be devoted largely to efforts to obtain more positive manifestations of Finnish friendship for the USSR and for closer identification of Finland with Communist-sponsored foreign policy moves.

Thus far neither the Finnish defense minister nor a military delegation has visited

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the Soviet Union despite both official and personal invitations extended by Soviet officials in late 1954. Many political leaders, Social Democrats in particular, doubt the political propriety of such a visit. They hope that action

on the Soviet invitations can be postponed indefinitely.

The last major development in Finnish-Soviet relations was in November 1954, when the Finns declined to attend the Soviet-sponsored European Security Conference in Moscow.

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Annual Soviet Troop Movements In Germany and Austria

The annual spring movement of the Group of Soviet Forces in Germany has been under way since at least 23 April. The

beginning of the current move corresponded closely to the timing in recent years, but the move itself is apparently proceeding at a somewhat slower pace. This may be to avoid the disruptive effect to the East German rail system of the concentrated demands in previous years.



Units may have been split for summer training this year, with some elements remaining in their home stations--presumably to maintain at least some Soviet forces at all key locations throughout the Soviet zone for security purposes.

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With one exception, the same training areas used in 1954 are again to be occupied although there has been some relocation of divisions, possibly in connection with the abandonment of the Wittstock training area.

In Austria, movements of Soviet units to the Doeller-sheim field training area were continuing as of 8 May. Unconfirmed reports, however, indicate preparations for imminent Soviet withdrawal.

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Good Weather
In Soviet "New Lands" Area

The Soviet agricultural press reports that weather conditions throughout the "new lands" area of western Siberia and Kazakhstan have been "exceedingly favorable" thus far. However, it is the weather in June and July which will be a determining factor.

The present regime, particularly Party First Secretary N. S. Khrushchev, has gambled very heavily on the "new lands" program as a quick

means of boosting the nation's low food output.

By 1956 the USSR hopes to have 70,000,000-74,000,000 acres of "new land" under cultivation (primarily grain crops), an increase of almost 20 percent over the total 1953 sown area. In 1954, about 9,000,000 acres of "new lands" were seeded. Soviet plans call for the seeding of an additional 40,000,000 acres in 1955. (Prepared jointly with ORR)

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Burma Continues
To Seek New Arms Sources

Under a defense agreement signed at the time of Burma's independence, Britain undertook to train Burmese armed forces. It exercises a virtual monopoly over the provision of military supplies. For four years Rangoon chafed under what it considered British niggardliness in meeting its requirements and in late 1952 abrogated the defense agreement. Since then the Burmese government has greatly accelerated its efforts to develop new sources of supply.

Britain is still Burma's major supplier, but Rangoon has obtained military goods from several other countries too. Small arms have been purchased from France and Italy. Italian

technicians have installed Burma's only arms factory which produces automatic weapons.

Burma's largest arms deals, however, have been made with Israel and Yugoslavia. From Israel, the Burmese have obtained 30 reconditioned Spitfires. Marshal Tito has promised to equip one British-style infantry brigade as a gift. A Burmese mission is now in Belgrade, presumably arranging for the shipment of this equipment and to develop more permanent supply channels.

Although the Burmese for some time looked to the United States as an alternate source

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of military equipment, they have shown no inclination to discuss recent offers to consider the matter. The principal reason for this reversal in outlook is Burma's determination--at almost any cost--to avoid antagonizing Communist China.

A continuation of the trend in Burmese arms procurement may free Burma to some extent from dependence on Britain, but the diversity of the material it is accumulating threatens to create serious problems of maintenance, organization and training.

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Simla Economic Conference

Rejection by the Asian nations represented at the Simla economic conference of a regional organization to plan the use of a proposed \$200,000-000 in American aid appears to have resulted from the fears of the smaller nations that India might dominate such an organization. The smaller nations also seem to feel that they will fare better with direct aid from the United States.

The Simla meetings from 9 to 13 May, just two weeks after the close of the Afro-Asian conference which had formally recognized the urgency of promoting economic development and co-operation within the area, failed to live up to the aspirations expressed at Bandung. Most of the nations responding to India's invitation accepted with misgivings regarding India's intentions. It is not surprising, therefore, that no co-ordinated plan developed.

As a result, Prime Minister Nehru, whose prestige was reported badly damaged at Bandung, may feel he has been dealt another blow at Simla.

The full report of the conference has not been made public, but a summary report

indicates the general view was that in the present state of economic development of Asia, there is no advantage in having an intermediate regional organization or even a secretariat. It was felt that the country programs should continue to be bilateral as at present.

The conferees also declared that \$800,000,000 rather than the proposed \$200,000,000 would be necessary to set up a regional balance of payments organization to help the Asians over short-term dollar shortages. The majority apparently felt that the best use to make of the fund would be to apportion it among the countries represented.

The representatives expressed concern that the United States might have an adverse reaction to their lack of enthusiasm for a regional plan.

The countries sending fully participating delegations to Simla were Cambodia, India, Japan, Laos, Nepal, Pakistan, Thailand and South Vietnam. A British expert represented Malaya, North Borneo, Sarawak and Singapore. The Philippines and Indonesia sent observers. Burma and Ceylon refused to attend.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****19 May 1955****Afghan-Pakistani Situation**

There have been numerous rumors during the past week that Afghanistan or Pakistan or both have accepted "mediation" offers from Egypt, Saudi Arabia, Iraq, Iran, and Turkey. All of these countries apparently have either volunteered their good offices or have been asked by Kabul or Karachi to intervene diplomatically in the dispute between the two capitals.

It is not clear, however, that Afghanistan and Pakistan have officially agreed on the precise nature of the body to be formally charged with investigating their dispute. Saudi Arabia, the only country to have taken positive action to date, has sent a delegation headed by an uncle of King Saud to both Kabul and Karachi.

There is some talk of forming a joint fact-finding commission composed of several Moslem countries. It has also been reported that several countries will act independently in investigating the situation.

The terms of reference of any "mediating" or fact-finding body likely to be accepted by both Afghanistan and Pakistan are also unclear.

Pakistan has refused to negotiate the Pushtoonistan question and is supported in this stand by Turkey.

Iraq is apparently primarily interested in the events of 30 March and 1 April. Saudi Arabia, which seems to be trying to mediate on the basis of the Koranic principle of "forgive and forget," has failed to gain

Pakistani acceptance of any such principle. Egyptian and Iranian views are still not clear, though Egypt seems to desire investigation of the 30 March incident before any other subject is discussed.

Pakistan obviously has in mind solely a determination of guilt for the wrecking of the Pakistani embassy in Kabul on 30 March and subsequent demonstrations at its consulates in Kandahar and Jalalabad and at the Afghan consulate in Peshawar. It presumably feels that no impartial body could find it equally guilty with Afghanistan and that the latter country will therefore publicly have to accept an adverse finding.

There is at present some question, however, as to whether the trend of events is progressing in favor of Pakistan.

At the suggestion of interested countries, Pakistan has postponed closing the Afghan frontier and withdrawing its diplomats in Kabul beyond the 15 May deadline originally set. In doing so, Pakistan probably feels it retains the capability of reasserting pressure on Afghanistan at will and that its action will prejudice any investigators in its favor.

[redacted] the Afghan government has been encouraged by the delay to continue its resistance. [redacted] the Saudi delegation in Kabul has been much impressed by Afghan arguments and that it has already reached one-sided conclusions. It is possible to interpret the latest

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Afghan propaganda broadcasts as indicating an emboldened Afghan line.

The situation still seems to be weighted in favor of Pakistan, however. Pakistan's refusal on 19 May to accept Saudi proposals will probably again discourage the Afghan government. Turkish, Iraqi, and Egyptian opinion appears to be veering in favor of Pakistan. In case of split decisions or an inability on the part of "mediators" to reach any specific conclusion, Pakistan can still close the Afghan border and break diplomatic relations.

[redacted] despite the brave front being put up by Afghan leaders, Prime Minister Daud is deeply discouraged at the failure of his mobilization scheme to arouse enthusiastic support from the tribesmen.

There is considerable doubt as to whether he is in complete control of the army, and there are indications that army conscriptees taken away from spring planting chores may soon become disgruntled.

Since it is highly unlikely that Daud wishes to start a war with Pakistan, or that he would be permitted by the royal family to do so even if he so desired, it may be that Daud will have to retract the mobilization order shortly for lack of food and equipment with which to supply the troops.

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Syria

Outwardly the situation in Syria has calmed down in the last two weeks. There has been no letup, however, in covert plotting by pro- and antigovernment forces, and any attempt to use force will almost certainly result in counteraction.

Rightist officers are apparently being encouraged by a high official in the Ministry of Defense to act against the government.

Most units of the First and Sixth Infantry brigades and armored and reconnaissance units outside Damascus are reported ready. This indicates a hitherto unprecedented amount of preparation.

The troops may have been alerted to deal with the situation that prevailed early in May, when the army chief of staff and his leftist supporters threatened to ride roughshod over the opposition. The situation has calmed some since then, and the army units mentioned may not act under present circumstances.

Meanwhile, Iraq has stepped up its political activity against the Syrian government. Two former Iraqi prime ministers have been sent to Syria to persuade the Populist and Nationalist leaders to organize a coalition against the government. Iraq has also sent a strong note warning Syria against

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adhering to Egypt's proposed defense pact.

Baghdad seems prepared to give Syrian political leaders whatever political assistance it can, but armed intervention would be considered only if Syrian authorities requested it for restoring order.

French North Africa

Opposition is mounting among French settlers in Tunisia to the agreement reached by the French and Tunisian premiers on 22 April. The opposition now centers on a demand for the removal of Resident General Boyer de la Tour rather than an attack on Tunisian nationalism as such.

Moroccan and Tunisian extremist settler groups met in Tunis on 14 and 15 May to perfect plans to dissuade the French National Assembly from approving the agreement. Assembly action is expected in July.

While the majority of Tunisians are hopeful that autonomy will be achieved, extremist nationalists, who are demanding independence, have already clashed with moderates. Fear that extremists might attempt to disrupt the homecoming celebration for nationalist hero Habib Bourghiba, originally slated for 18 May, as well as the possibility that local French police groups opposing autonomy might incite

trouble, has resulted in postponement of Bourghiba's return.

The security situation in Algeria has worsened in spite of state of emergency measures put into effect last month. Some 2,000 specially trained and equipped gendarmes were flown into eastern Algeria late last week to aid the more than 40,000 French troops there in rounding up guerrilla and terrorist bands.

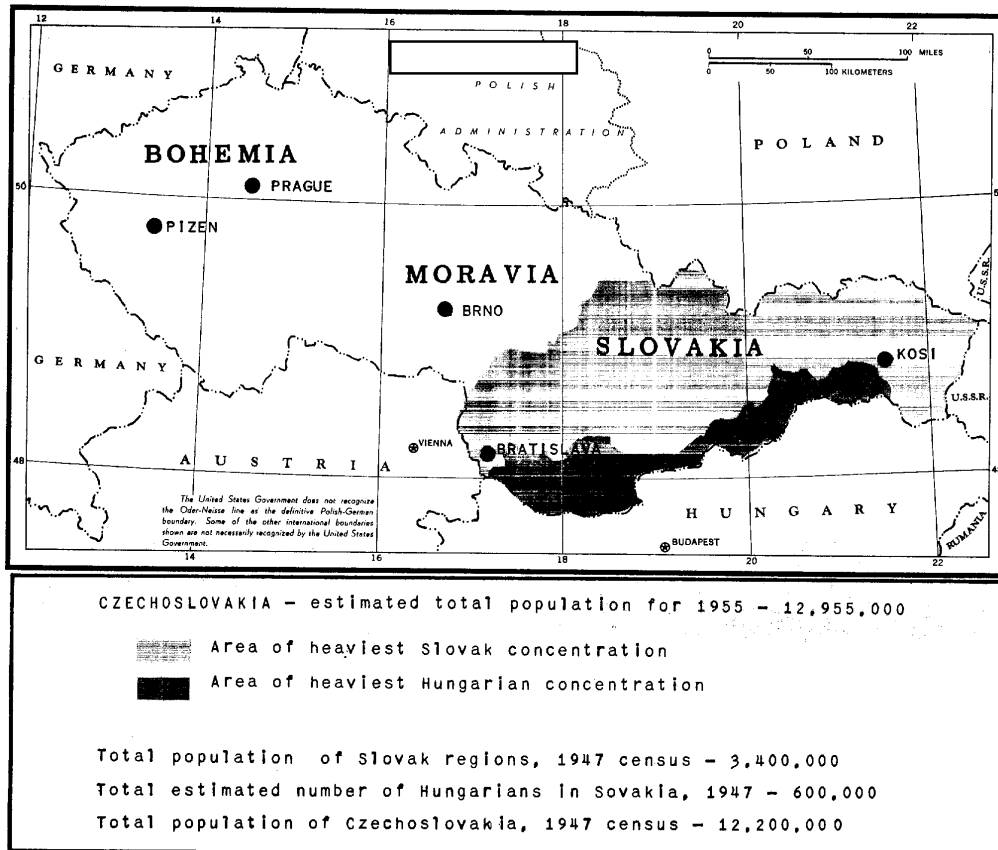
Terrorist attacks in Morocco are again on the increase after a lull of several weeks. Recent reports state that Paris is considering early action to replace the present sultan, but officials in the Protectorates Ministry emphatically deny that any action is contemplated with regard to Morocco until after the Tunisian conventions have been approved in the National Assembly.

Continued procrastination by the authorities increases the likelihood that guerrilla bands, like those in Algeria, may develop in Morocco.

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**Czechoslovakia Adopts
Militant Minority Policy**

The difficult minorities problems facing the European Satellites showed up with unusual clarity last month in Czechoslovakia, where major speeches at the Slovak Communist Party Congress reflected the regime's continuing concern with the country's two major minority groups, the Slovaks and the ethnic Hungarians.

The militant party line developed at the congress -- stressing the political supremacy of Prague and placing primary blame for difficulties

on the minority groups themselves -- is almost certain to increase resentment against the regime and bitterness between ethnic groups.

There are difficulties of long standing with the more than 500,000 ethnic Hungarians in Slovakia. Encouragement of national sentiment in Hungary by the regime when Nagy was premier probably aggravated the situation and caused concern in Prague.

Because of the current Hungarian campaign to

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eradicate the "right-wing" emphasis on nationalism, the Czech regime may now feel freer to make new attacks on Hungarian nationalism.

Slovak party first secretary Bacilek claimed at the party congress that bourgeois nationalism in Slovakia can most frequently be encountered among ethnic Hungarians, including party members. He warned these members that, just as the Hungarian Workers' Party establishes policy for its members, "the Communist Party of Czechoslovakia determines the attitude of its Hungarian comrades."

The problem of Slovak separatism, which is widespread at all levels of the population, also was a major topic of speeches at the congress. The former party line, which emphasized Czech-Slovak equality,

has been revised and the Slovaks are now told that they must learn to "love and trust Prague."

The tone of recent official statements indicates that the Slovak Communist Party is to be openly de-emphasized and clearly subordinated to the Czech party. The removal of Czechoslovakia's second ranking party leader, Premier Siroky, from the Slovak politburo at the congress probably reflects this trend.

Primary motivation for the present policy may be the party's fear of the effects of minority sentiments within its own ranks. The regime may feel that achieving increased party discipline through militancy would more than compensate for the inevitable aggravation of popular hostility.

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Italian Political Situation

President Giovanni Gronchi's refusal on 12 May to accept the resignation of the Scelba cabinet reflected a decision by the present coalition parties not to rock the political boat in Italy at least until after the Sicilian elections on 5 June. Basic dissensions in the coalition parties remain, however, and the Scelba government has become little more than a caretaker regime.

Gronchi's inaugural address called for greater participation in the direction of the Italian state by the working classes. It was generally interpreted as an ambitious program of social and economic reform.

In the opinion of the American embassy in Rome, the speech indicated a lack of awareness of the nature of the Communist threat and seemed to remove any prospects of a vigorous anti-Communist campaign by the government.

Gronchi's address was well received by the great majority of Italians, however, who felt it contained in part the ideas of the church's social encyclicals and the doctrinal statements of the Christian Democratic Party.

The coalition parties decided against making any change for the time being. The cabinet announced on 12 May

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that since there had been no change in the parliamentary majority on which the government depended, there was no constitutional reason for creating a cabinet crisis.

Immediately after the Scelba cabinet's resignation was refused, a "rebellion" flared up among a hundred or so right-wing Christian Democrats. This group, known as the "Concentration" faction, had challenged the party leadership in the presidential election in April, and now announced that it reserved "full freedom of action" to vote against Scelba's center coalition.

On the real point at issue --the demand for a voice in determining Christian Democratic policy--the "Concentration's" tactics appear to have won them a major concession. Party leaders have agreed that major decisions will be made by the Christian Democratic parliamentary group, rather than by the Fanfani-controlled

party directorate in which the right wing has no voice.

Participation of this "Concentration" faction in Christian Democratic policy making will strengthen party discipline, but may make it more difficult to achieve agreement on any specific program. Furthermore, the minor parties in the coalition are dissatisfied with the achievements of the Scelba government.

The instability of the situation suggests that there may be some changes in the government's line-up and program during the summer, after all the parties have had an opportunity to estimate the significance of the results of the Sicilian elections. The decision whether or not to form a new government will almost certainly be made in terms of domestic issues, and will have little effect on Italy's foreign policy.

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British Election

The outcome of the voting in some 50 constituencies whose members won in 1951 by majorities of 1,000 or less will be decisive in the British general election. The Conservative Party is still considered likely to win.

The Conservatives are confident that if they gain even a few of the marginal seats, they will be returned to office with a working majority.

Laborites, on the other hand, hope they can at least hold the Conservative Party to its present over-all majority of 19 seats. They hope that

if the electorate turns out in the same proportion as in 1951 (82.6 percent), they might even win.

American officials in Britain report that the voters are apathetic. They attribute this to the lack of an exciting issue and to the general prosperity and full employment. They believe the Conservatives will profit from electioneering on Prime Minister Eden's record as a peacemaker.

Both parties are concentrating primarily on the marginal seats and on those constituencies which have been

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substantially changed by the recent redistribution of seats.

The Conservatives captured 15 of the marginal seats in 1951. Several of them are in Lancashire, where the Laborites hope to capitalize on dissatisfaction with depressed conditions in the local textile industry. The Conservatives made gains in local elections in that area last month, however, and the government has canceled the purchase tax on nonwoolen textiles.

The redistribution of seats, which created 11 new constituencies, abolished six and raised the House of Commons

membership to 630, is believed to favor the Conservatives. The effect of major boundary changes in 177 other constituencies, 14 of which are among the 50 marginal seats, is not clear. Many of these changes are due to the post-war movement of workers from cities to suburbs and to the growth of new industries in rural areas.

Neither party knows whether these "mixed" constituencies will be predominantly Labor or Conservative and neither accordingly is willing to estimate the effect of the redistributing on the election.

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Unrest in Colombia

Recent developments in Colombia, particularly a rise in guerrilla activity, indicate a steady trend back toward the widespread violence which prevailed prior to 13 June 1953, when the civilian regime of Laureano Gomez was overthrown by General Rojas Pinilla.

The political and administrative ineptness shown by the Rojas regime has cost it much of its original popularity and support. The government, moving to maintain its position, appears to be headed toward outright authoritarianism.

Serious outbreaks of violence have occurred in six of the country's 16 departments in recent months. Eastern Tolima, where the most serious incidents have taken place, has been declared a "zone of military operations." Some 2,500 persons have been evacuated and government troops,

believed to number 3,000, are stepping up efforts to dislodge some 3,000 guerrillas entrenched there.

The regime continues to claim that these disturbances are caused by bandits and Communists, do not represent a revival of guerrilla activity, and are not political in character. These claims are apparently intended to forestall charges that the government is using the military for political persecution.

The US Military Assistance Advisory Group in Colombia reports that American equipment supplied under the bilateral military agreement only for hemispheric defense is being used against the guerrillas. The Colombian military have attempted to justify this, arguing that the equipment is intended for use in combating international Communism and that the situation

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in Colombia is similar to that which prevailed in Guatemala prior to the Castillo revolution.

lowers of Rojas and those of Gomez. The latter group's opposition to the regime is growing and efforts at party unity have so far proved futile.

The Liberals, probably the majority party in popular support, are also divided on

Colombia's 2,500-member Communist Party is actively interested in the disturbances; some Communist efforts at provocation and propaganda exploitation have been indicated. There is no concrete evidence, however, that Communists are directing or are responsible for the continued and widespread outbreaks.

The available evidence seems to support the belief that a good part of the violence, at least in Tolima, is due to vendettas between Liberal guerrillas and bands supporting the Gomez faction of the Conservative Party.

The renewed violence is a manifestation not only of the growing unrest, but also of the larger, continuing struggle between the two traditional political parties.

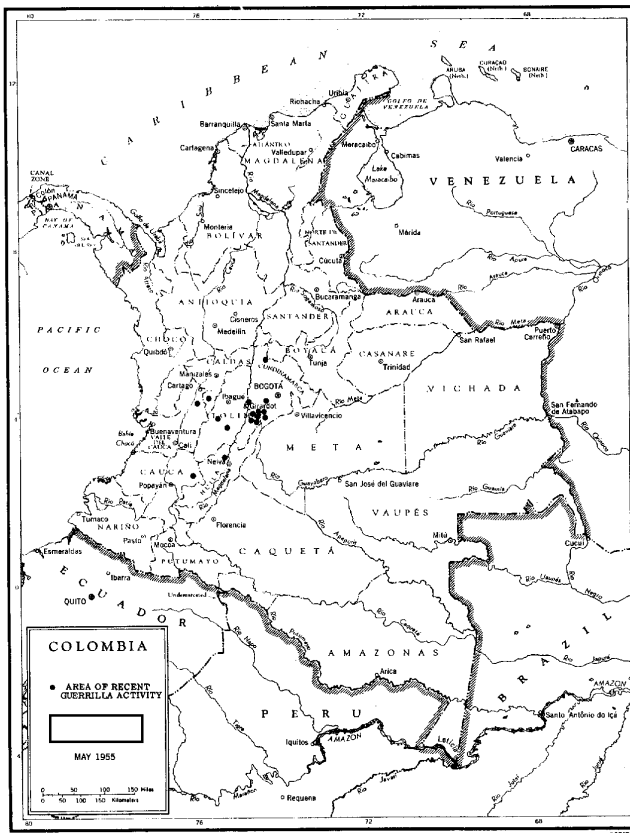
The Conservatives have rejected recent Liberal overtures for bipartisan co-operation to re-establish constitutional rule, which had prevailed for nearly half a century prior to 1948.

Nominally the ruling party, the Conservatives remain seriously split between the fol-

the question of co-operating with Rojas.

The regime, meanwhile, is attempting to build up a mass political following.

The government's efforts include daily propaganda news broadcasts and preparations to

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publish an official newspaper to compete with the party dailies.

These moves have served to alienate still further the traditionally influential political and social groups, already made uneasy by repeated signs that the regime has abandoned its announced intention to return the country to constitutional government.

President Rojas, who was elected for a four-year term by the Constituent Assembly in August 1954, announced on 1 January that he would not lift the five-year-old state of siege and that general elections would not be held. He claimed that the unsettled situation did not permit the resumption of the country's control by partisan politics.

The trend toward a permanent military dictatorship indicated in this announcement can also be seen in Rojas'

failure to form a truly Conservative-Liberal coalition government, and the administration's hostility toward existing labor confederations. Furthermore, strict censorship is maintained over the press and radio, and the military code was recently amended to provide severe penalties for criticism of the military.

These developments, together with the increasing government corruption--which reportedly involves virtually all military and civilian officials, including the president--are undermining the support and prestige of the regime. There is even some evidence of discontent among military elements.

Thus far, however, Rojas apparently has maintained the confidence and support of the majority of the armed forces, largely through treating them as a privileged caste.

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THE SATELLITE AGRICULTURE PROBLEM

The announced intention of the Eastern European Satellites to increase emphasis on heavy industry and military preparedness, following the example set by the USSR, has not to date substantially modified their previous stress on increased agricultural investment and economic concessions to the peasantry.

The "new course" agricultural policy inaugurated in the summer of 1953 reversed an earlier--Stalin era--policy

of neglect and coercion in agriculture. This reversal, which followed the Soviet line as developed after Stalin's death, was caused in large part by the failure of agricultural production in the Satellites to achieve the prewar level (see Table I).

Measures were taken, in varying degrees depending on individual Satellite conditions, to increase agricultural investments, the size of the agricultural labor force, the

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TABLE I

INDEX OF FOOD AND LIVESTOCK
PRODUCTION IN THE EUROPEAN
SATELLITES, PRE-WAR AND 1952-53
(1950 = 100)*

	Pre-War (1935-39 average)	1952	1953
ALBANIA	95	97	99
BULGARIA	100	95	99
CZECHOSLOVAKIA	110	98	95
EAST GERMANY	118	109	100
HUNGARY	109	95	81
POLAND	120	95	86
RUMANIA	130	95	95

*Included are bread grains, coarse grains, rice, potatoes, cattle, hogs, horses and sheep. Constant price weights for 1950 were used to determine index.

total area under cultivation and the extent of mechanization. In addition, the socialization of agriculture was slowed or stopped, taxes and delivery quotas were reduced, prices paid for agricultural commodities were increased, and a generally more liberal attitude toward the peasantry was adopted.

These new measures raised new problems, ideological as well as economic. The party was called on to tread a middle way. The sins of left and right deviation were newly defined-- and the amount of attention the party press devoted to the problem indicated that both heresies were widespread. Confusion resulted, and this, coupled with long-standing government and party weaknesses in the countryside and with traditional bureaucratic ineptness, hamstrung progress from the very beginning.

The peasants, justifiably wary of Communist promises, were unwilling to co-operate on the basis of announced good

intentions, but were quick to take advantage of the new liberalization.

In Hungary, for example, farmers withheld deliveries in the hope of further concessions, and great numbers of peasants left the collective farms. Almost 40 percent of the collective farmers in Hungary withdrew, affecting about one quarter of all socialized land.

Role of the Independent Peasant

Despite the past policy of giving virtually all available aid to the collective farms, the independent peasant, who continues to cultivate more than half the land in all the Satellites except Bulgaria, is a more efficient farmer than the collectivized peasant, and normally produces higher yields.

The regimes, still committed to a policy of land socialization, have been prevented by Communist ideology from facing the issue squarely. In effect, the private peasant has been asked to increase production, with less help than has been given to collectives, in order to support a regime which admittedly aims at his own ultimate extinction.

The regimes have failed to produce manufactured consumers' goods in quantities sufficient to provide the kind of incentive the peasants would find most attractive. Shortages of agricultural equipment, seeds, fertilizers and insecticides continue.

Manpower Problems

Plans for diverting both skilled and unskilled manpower to the farms were almost completely unsuccessful.

Czechoslovakia's ambitious program to gain 320,000 new agricultural workers between mid-1954 and 1958

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apparently has foundered, for example. Only 17,000 were recruited during 1954, and the January 1955 target for recruitment of farm laborers from industrial enterprises and villages was fulfilled by less than 2 percent.

Programs for the development of fallow land, such as Czechoslovakia's plan calling for the cultivation of an additional 120,000 hectares this year, have also made little progress, according to official admissions.

In many cases the regimes found themselves in dilemmas of their own creation. The agricultural manpower shortage, for example, could have been solved, in a sense, by forced wholesale transfers of populations and/or labor groups. But such measures have been frowned on during the new course and, in addition, such transfers would adversely

affect already lagging industrial growth.

The planners are confronted by other difficulties, including their own incompetence. The necessity of importing large quantities of foodstuffs limits other imports, many of which would help boost food production at home. Thus, Czechoslovakia officially reported that last year it imported one half of its cereal grain and meat. The programs for raising agricultural production through mechanization and through consumers' goods incentives were in partial conflict, the two making contradictory demands on industry.

Increases in Investment

Efforts to increase production through a program of greater investments in agriculture have continued this year. Scheduled increases over 1954 announced to date range

TABLE II

CURRENT FOOD SITUATION IN THE EUROPEAN SATELLITES			
	General Situation	Items in Shortest Supply	General Outlook Through July 1955
ALBANIA	chronically unsatisfactory; normally a food deficit country dependent on imports		
BULGARIA	indications of occasional and local shortages	no known serious shortages	insufficient data
CZECHOSLOVAKIA	major shortages	meat, animal fats, bread grains	no improvement
EAST GERMANY	serious shortages	meat, butter, sugar, flour (in some areas)	continued deterioration unless imports from Soviet bloc are increased
HUNGARY	generally unsatisfactory	meat, animal fats, possibly bread	continued deterioration
POLAND	best off among Satellites	fresh meats, animal fats	no improvement
RUMANIA	generally unsatisfactory	meat, sugar, flour	no improvement

Source: Based on data supplied by ORR, 11 Apr 55.

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from 12.1 percent in Poland to 45.8 percent in Bulgaria. As yet, however, there has been little or no return on this policy.

In Poland and Czechoslovakia, for example, where total planned agricultural investments for 1954 were about 30 percent above 1953, plans for major crops were not fulfilled. Total 1954 grain production in East Germany and Czechoslovakia was actually lower than in 1953.

Poland increased production but did not meet its plan. The animal husbandry situation did not improve and also failed to meet planned goals. In turn, food availabilities did not attain planned levels (see Table II).

Bad weather, which has continued this year, and the hostile attitude of the peasants have severely limited production in recent years. Satellite leaders seem to be operating on hope as much as on actual expectations.

In Czechoslovakia, for example, the peasants have been informed that, despite a notable lack of response, the government is continuing to extend concessions. These have included recent retail price reductions and an increase in payments for agricultural goods.

The incentive program has been continued this year in all the Satellites. Bulgaria raised state agricultural purchase prices for collective farms in January. Minor concessions have been announced in Poland, Rumania and Albania.

Future Policies

Earlier indications of a return to a coercive policy in Hungary apparently prompted a strong peasant reaction, and the regime has subsequently attempted to assure private peasants that it will continue to support them. In the latter part of March, it gave concrete form to these assurances by canceling a decree of last December which would have obliged private farmers to make good shortages in the winter wheat sowing plan. Certain produce delivery dates were liberalized at the same time.

Although concessions have continued and basic new course agricultural policy remains the same, some modifications in the program are inevitable. The tone of propaganda in most of the Satellites, coupled with actual measures in some areas, indicates that collectivization programs will receive new emphasis.

The gaining of new members for collectives will apparently be a gradual process, however, at least for this year. The general line toward kulaks has hardened, and, as party organizations in rural areas are strengthened, discipline as a whole may be tightened.

Such modifications do not necessarily reflect as yet the beginnings of a return to more coercive practices. The essential elements of the agricultural new course should survive at least until the production results of the 1955 crop year are known. Another poor harvest, however, probably would mean a severe tightening of new course procedures in agriculture.

☐ (Concurred in by ORR)

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